BEFORE THE SHORELINES HEARINGS BOARD STATE OF WASHINGTON

IN THE MATTER OF A SHORELINE CONDITIONAL USE PERMIT GRANTED BY CITY OF TACOMA TO PAT LARKIN AND NAMES, NAMES, NAMES & LARKIN, AND DENIED BY WASHINGTON STATE, DEPARTMENT OF ECOLOGY,

PAT LARKIN and NAMES, NAMES, NAMES, LARKIN, and CITY OF TACOMA,

Appellants,

٧.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

STATE OF WASHINGTON, DEPARTMENT OF ECOLOGY,

Respondent.

SHB No. 84-21

FINAL FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

This matter, the request for review of a shoreline substantial development permit and a conditional use permit came on for hearing before the Shorelines Hearings Board, Lawrence J. Faulk (presiding), Wick Dufford, Dennis Derickson, and Les Eldridge, Members, convened at Tacoma, Washington, on November 2, 1984.

Appellants, Pat Larkin and Names, Names, Names & Larkin, were represented by their attorney, William T. Lynn. Appellant City of Tacoma was not represented. Respondent Department of Ecology was represented by Jay J. Manning, Assistant Attorney General. Court Reporter Nancy A. Miller recorded the proceedings.

Witnesses were sworn and testified. Exhibits were examined. From testimony heard and exhibits examined, the Board makes these

#### FINDINGS OF FACT

Ι

This matter arises on Ruston Way in the City of Tacoma. The area is the "S-6" Shoreline District, designated "urban" by the Tacoma Shoreline Master Program (TSMP).

The appellant, Names, Names, Names & Larkin (Names), is the owner of a project on Ruston Way in Tacoma known as The Lobster Shop. The project consists of an overwater restaurant constructed in 1980, and an old (pre-1969) overwater two-story building which has been in the past, used as a duplex. This case primarily concerns the second floor of that duplex building.

III

On September 27, 1979, the Department of Ecology approved a substantial development/conditional use permit issued by the City of Tacoma to the former owner allowing construction of the Lobster Shop Restaurant over the water on Ruston Way. The Lobster Shop is immediately adjacent to the building in question, located just

easterly of the small building. As part of this permit, the existing structure was slightly remodeled to allow office use and storage use of the building. The office use was limited to restaurant-related office space. Additionally, the storage use was also limited to restaurant-related storage.

ΙV

In March of 1981, the permits were revised. The revision allowed a change in the parking/landscaping plan for the facility. More importantly, for this case, the revision also allowed substantial remodeling of both the interior and exterior of the two-story building. No change in use, however, was allowed by the permit. The use was still limited to restaurant office and restaurant storage.

On June 23, 1981, the City of Tacoma issued a regulatory order to the former owner to halt any use of the building other than restaurant offices and restaurant storage. This order was issued because it became apparent that the former owner was using the second story of the building for general office use. Such a use of the building violated the terms of the permit.

VI

On July 1, 1981, the regulatory order was amended to give the former owners an opportunity to apply for the necessary permits to allow general office use of the second floor of the building.

VII

On December 30, 1981, the Department of Ecology (DOE) approved a FINAL FINDINGS OF FACT, CONCLUSIONS OF LAW & ORDER SHB No. 84-21

 substantial development/conditional use permit issued by the City of Tacoma to the former owner to allow the upper floor of the duplex building to be used for general office use. That permit was limited to a period of two years from the date of approval (December 30, 1983) in order to allow time for the recoupment of development expenses.

VIII

In July of 1983, appellants purchased the property and thus acquired this problem.

ΙX

On November 16, 1983, the appellants submitted the subject substantial development/conditional use permit request. Under the requested permit, the upper floor would be used for general office space. The lower floor would continue to be utilized as an accessory restaurant office and for restaurant storage. Under the proposal, public access to the shoreline would be increased by making small decks on the northerly and easterly sides of the building accessible to the public. The property would be improved to include a public rest area and prominent signage to alert people on the adjacent pedestrian/bike path to the availability of the public access.

Х

On April 17, 1984, the Tacoma City Council unanimously approved the permit, after receiving a recommendation for approval from the hearings examiner. There was no expression of citizen or other local opposition.

XI

27 | CONCLUSIONS OF LAW & ORDER SHB No. 84-21

FINAL FINDINGS OF FACT.

On May 17, 1984, the DOE disapproved the conditional use permit.

IIX

On June 13, 1984, feeling aggrieved by the decision of the DOE, the appellants appealed to this Board.

IIIX

The Lobster Shop complex lies within an urban area, long highly developed, once heavily industrilized, now undergoing redevelopment emphasizing restaurants, parks and public recreation. The Lobster Shop restaurant attracts over 100,000 customers annually.

XIV

The ancillary structure in question contains about 2,400 square feet of floor space. The bottom floor consists of some 1,315 square feet. The upper floor, which is the main focus of this case, consists of approximately 1,085 square feet. The restaurant building nearby contains about 7,700 square feet. The area at issue, then, consists of less than 10% of the interior square footage of the overall development.

ΧV

The proposed general office use of the upper floor of the former duplex and the opening to public access of areas adjacent to the lower floor, would have no adverse environmental impacts, nor would the activities interfere with navigation or be harmful to public health.

IVX

The public access changes proposed are not well-conceived as an

-5-

effective design for attracting public use and would not significantly improve the public's opportunity to enjoy the shorelines.

IIVX

Use of the upper floor of the duplex is limited because of the relatively small size of the space. Its size and separation from the restaurant make it impractical to incorporate into the restaurant operation as a banquet area or otherwise. It is not needed for restaurant-related storage or office space. It is located some distance from any retail stores and, therefore, any retail business use would oblige customers to make a special trip to an isolated shopping location. Only a retail business with minimal space requirements could be accommodated there. The upstairs location would present a barrier to access by the handicapped. Moreover, the experience of the past in renting this space for offices is that there is no identifiable market for its use by businesses which are particularly benefited by a shoreline location. In sum, no practical commercial use of the space which would be facilitated by this particular waterfront location is apparent.

## XVIII

As far as the record shows the small floor space in question--isolated on the second floor of an overwater pre-1969 structure, ancillary to the primary development of the site--and the factors related to the practicality of its use are unique within the "S-6" Shoreline District.

 $^{26}$ 

v	Ŧ	u
Λ	Ł	7

The Board must decide whether the proposed use of the shoreline can be allowed as a conditional use, consistent with the Tacoma Shoreline Master Program (TSMP) and the policies of the Shoreline Management Act (SMA), embodied in RCW 90.58.020?

XX

The TSMP contains the following pertinent provisions:

#### a. Section 13.10.030 Definitions:

'Water related use' means a use which is 00. not intrinsically dependent upon a waterfront location but whose location on or near the waterfront will either facilitate its operation or will provide increased opportunity for general public use and enjoyment of shorelines and shoreline areas. Examples would include, but not be limited to the following:

#### 2. Commercial - marine

- Restaurants a.
- Boat sales/supplies b.
- Fish markets c.
- Scuba, skin-diving, fishing d. sales/supplies
- Other commercial uses which e. provide increased opportunities for general public use and enjoyment of shorelines and shoreline areas. (Emphasis added)

#### Section 13.10.090 'S-6' Shoreline District b. Ruston Way

INTENT. The intent of the 'S-6' Shoreline Α. District is to encourage development of a coordinated plan of mixed public and private water-dependent and water-related use activities, including commercial,

FINAL FINDINGS OF FACT, CONCLUSIONS OF LAW & ORDER SHB No. 84-21

23

1 |

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17,

18

19

20

21

22

24

25

26

 $27^{\circ}$ 

1	]
2	
3	
4	
5	
6	
6 7 8	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	}
18	
19	
20	
21	
<b>2</b> 2	
23	
24	

26

27

recreational, and open space development; and which will recognize the continued operation of pre-existing uses, but which will prohibit development of new residential and industrial use activities.

. . . .

SUBSTANTIAL DEVELOPMENT/CONDITIONAL USE
ACTIVITIES. The following use activities shall be permitted subject to the issuance of a Susbstantial Development/Conditional Use Permit. provided that the applicant can demonstrate that any such use activity conforms with the criteria set forth in Section 13.10.380 of this chapter, and subject to approval of the Department of Ecology as set forth in Section 13.10.180 of this chapter:

# 4. Commercial, water-related, on piers.

XXI

## WAC 173-14-140(1) and (2) states:

- (1) Uses which are classified or set forth in the applicable master program as conditional uses may be authorized provided the applicant can demonstrate all of the following:
- (a) That the proposed use will be consistent with the policies of RCW 90.58.020 and the Policies of the master program.
- (b) That the proposed use will not interfere with the normal public use of public shorelines.
- (c) That the proposed use of the site and design of the project will be compatible with other permitted uses within the area.
- (d) That the proposed use will cause no unreasonably adverse effects to the shoreline environment designation in which it is to be located.
- (e) That the public interest suffers no substantial detrimental effect.
- (2) Other uses which are not classified or set forth in the applicable master program may be authorized as conditional uses provided the applicant can

demonstrate, in addition to the criteria set forth in WAC 173-14-140(1) above, that extraordinary circumstances preclude reasonable use of the property in a manner consistent with the use regulations of the master program.

These conditional use criteria are repeated verbatim in TSMP section 13.10.180.B.

#### IIVX

Any Conclusion of Law which should be deemed a Finding of Fact is hereby adopted as such.

From these Findings the Board comes to these

#### CONCLUSIONS OF LAW

I

The remodeled duplex, as a pre-existing structure, is authorized to be maintained on the site by virtue of RCW 90.58.270. This case presents a bare question of the appropriate use to be made of a part of this building, located over the water in an urbanized area where the natural shorelines were substantially altered years ago.

ΙĮ

Since the proposed general office use is a change of use from that originally permitted for this space, the decision of the City of Tacoma to require a new permit was appropriate. Gislason v. Friday Harbor, SHB No. 81-22 (1981). The new use is beyond the scope and intent of the original permit. WAC 173-14-064(2)(d). The interim permit authorizing such use for two years was not intended as a ruling on the merits of the change of use question as a permanent matter.

 $^{22}$ 

 $23^{\circ}$ 

SHB No. 84-21

Appellants would characterize the general office use proposed as "water related" under the TSMP and, therefore, as a "listed" conditional use. They assert that this is so because the overall project is "water related," providing access through the restaurant for substantial numbers of people to enjoy the shorelines of the state.

In some contexts the Board has justified the shoreline location of uses which have no intrinsic or economic need for such siting on the basis of public access gains achieved by the project as a whole.

(E.g., Smith v. New England Fish Company, SHB 158 (1974); Allison
Fairview Neighborhood Assoc. v. Seattle, SHB 205 (1976).) However, this "integrated project" theory has not been applied where the proposal is to change part of the use mix for an already completed project to an activity which by itself is clearly not water-related.

(E.g., Adams v. Seattle, SHB 156 (1975).)

The Board declines to apply this approach here. General office use does not, either intrinsically or economically, require a waterfront location. We are concerned that peacemeal change to non water-related uses within projects initially authorized on the basis of a different use pattern may provide a tempting method for circumventing the siting preferences of the SMA and the master programs which implement it. We are influenced in our decision on this point here by the fact that the proposed general office use would be located over the water.

Moreover, we conclude that the additions to public access proposed FINAL FINDINGS OF FACT, CONCLUSIONS OF LAW & ORDER

in connection with the requested general office use are essentially cosmetic and do not support applying the "integrated project" approach to this change of use application viewed in isolation from the total Lobster Shop project.

Under the TSMP a water related use is one whose location on or near the waterfront will "either facilitate its operation or will provide increased opportunity for public use and enjoyment of the shorelines and shoreline areas." Section 13.10.030. We conclude that the applied for use of the shorelines in this case fails to satisfy this definition. Therefore, the proposal is not for a "listed" conditional use under TSMP Section 13.10.090, applying to the "S-6" Shoreline District. It must be subjected to the additional criteria for "unlisted" conditional uses.

IV

Notwithstanding the above, we are pursuaded under the peculiar facts, the proposed general office use in this instance meets the "extraordinary circumstances" standard of TSMP 13.10.180.B.2 and WAC 173-14-140(2). The size, location and, to some extent, the character of the space at issue are dictated by pre-SMA building decisions preserved by the Act. The choice appears to be between renting this small second story area for general office use and having it lie idle.

General office use within the "S-6" Shoreline District is not prohibited. It is simply not among these use which are expressly promoted by the TSMP for the area. The circumstances here preclude

any other reasonable use of the pre-SMA interior space which is the subject of this application.

This conclusion should not be construed to mean that in another case the Board will not look at the entire project complex for the purposes of determining whether reasonable use of the property is precluded. This decision is expressly limited to the use of a small, isolated space within a pre-existing structure under the specific facts presented. However, this case draws attention to the need by DOE and local governments to look more closely at the problems and potentials of rehabilitating older pre-SMA, urban waterfront sites and structures when considering future WAC and local master program revisions.

V

The proposed use meets the "ordinary" criteria for conditional uses found in TSMP 13.10.B.1 and WAC 173-14-140(1). The policies of the master program for the "S-6" Shoreline District, while not positively advanced, are not contravened by this minimal variation from the norm. Any interference with public use of the shorelines presented by the structure is grandfathered under the SMA. The building is compatible in design with its surroundings. The general office use will not conflict with other permitted activities within the area. No environmental impacts will result. No substantial public interest problem has been identified.

VI

Because the factors relating to use of the space are unique, we FINAL FINDINGS OF FACT, CONCLUSIONS OF LAW & ORDER SHB No. 84-21 -12-

conclude that the application cannot be reversed on the basis of potential adverse cumulative impacts. TSMP 13.10.B.4; WAC 173-14-140(4).

Department of Ecology v. Ballard Elks, 84 Wn.2d 551, 527 P.2d 1121 (1974) teaches that on urban shorelines, already extensively developed in the past, decisions concerning shoreline activities may be approached with a practical eye. As in Ballard Elks, we believe here that to deny the proposed use would be "to ignore the realities of the situation and would unduly penalize appellant without serving any substantive public interest." 84 Wn.2d at 554. Accordingly, under the facts, we conclude that the use authorized by the City of Tacoma is a "reasonable and appropriate" use of the shorelines within the policies of the SMA.

VIII

Any Finding of Fact which should be deemed a Conclusion of Law is hereby adopted as such.

From these Conclusions the Board enters this

FINAL FINDINGS OF FACT, CONCLUSIONS OF LAW & ORDER SHB No. 84-21

## ORDER

The substantial development permit and conditional use permit granted by the City of Tacoma to the appellant is affirmed.

DATED this  $4^{\frac{1}{10}}$  day of December, 1984.

SHORELINES HELRINGS BOARD

LAURENCE J. FAULE, Vice Chairman

WICK DUFFORD, Lawyer Hember

DENNIS DERICKSON, Member

LES ELDRIDGE, Member